

Date of Hearing: April 10, 2024

ASSEMBLY COMMITTEE ON AGRICULTURE
Esmeralda Soria, Chair
AB 2143 (Connolly) – As Amended March 19, 2024

SUBJECT: Fairs

SUMMARY: This bill repeals section of the Business and Professions Code (BPC) related to fairs within California, revises, and recasts the deleted BPC into the Food and Agriculture Code (FAC), as specified. Specifically, *this bill*:

- 1) Deletes names and locations of California fairs from the BPC and adds the deleted code to the FAC.
- 2) Replaces references to the Division of Fairs and Expositions in the Department of Food and Agriculture with the Department of Food and Agriculture.
- 3) Deletes obsolete BPC related to horse racing and the funding of fairs.
- 4) Deletes findings and declarations from the BPC and adds the deleted code to the FAC.
- 5) Deletes tax and wage code from the BPC and adds the deleted code to the FAC.
- 6) Deletes unallocated funds, liability issues, and loan related code from the BPC and adds the deleted code to the FAC.
- 7) Deletes fairs eligibility to receive CDFA funds, fair standards, and fund distribution by CDFA related code from the BPC and adds the deleted code to the FAC.
- 8) Deletes bookkeeping and records related code from the BPC and adds the deleted code to the FAC.
- 9) Makes numerous technical and conforming changes.

EXISTING LAW:

- 1) Defines, in BPC, district agricultural associations and their locations, county fairs and their locations, and citrus fairs and their locations, and funding for these entities, and regulates various aspects of financial management of state, county, and local fairs, including revenue from horse racing, and imposes various duties on the Secretary of CDFA for those purposes. (BPC 19614, 19620)
- 2) Requires that all license fees from satellite wagering that are deposited into the Fair and Exposition Fund, a continuously appropriated fund, be deposited into a separate account in the fund for specified purposes. (BPC 19606.1)
- 3) Appropriates certain unallocated moneys and other specified moneys to the Secretary of CDFA for capital outlay to California fairs for fair projects involving public health and safety and other projects as specified. (BPC 19614)

- 4) Requires any fair racing association to additionally deduct 1% from the total amount handled in its daily conventional and exotic pari-mutuel pools and requires that these additional moneys be deposited into the Fair and Exposition Fund, as specified. (BPC 19614)

FISCAL EFFECT: Unknown.

COMMENTS: Until 2009, the sole source of state funding for the network of California fairs was from horse racing license fees, which had declined to the lowest level ever. The decline in license fees leading up to 2009 resulted in a deficiency in revenues generated to the Fairs & Exposition (F&E) Fund, which was impacting fairs across the state. License fee revenues had fallen below the \$40 million guaranteed threshold for the years 2006-2008. SB X2 16 (Ashburn) Chapter 12, Statutes of 2009, removed the horse racing industry's obligation to fund the network of California Fairs.

There are 54 statutory DAAs, of which 52 are active, and 41 operate on state owned lands. They hold various activities on their sites, such as fairs, day care operations, fund raising and commercial events. DAAs in some areas provide the only event space for the local community. DAA budgets run from several hundred thousand dollars to over ten million dollars. Only a few DAAs are self-sustaining, most are not.

California's fairs operate under the guidelines of the Department of Food and Agriculture - Division of Fairs and Expositions. Collectively they host events that are attended by nearly ten million Californians and tourists annually. According to the author, the network of California fairs is an economic, social, and cultural institution that enriches the lives of Californians from every background and walk of life and seeks to connect urban populations that may have little contact with farms, ranches, and agribusinesses with California's agricultural heritage.

According to the author, statutes that pertain to fairgrounds can be found in the FAC, BPC, Government Code and others. Since fairgrounds no longer receive funding from horse racing, it makes sense to consolidate as much as possible into the FAC.

Supporters' state this bill could best be considered a code clean-up and consolations effort. Another change included in the bill is the replacement of the reference to the Division of Fairs and Expositions, which no longer exists. In its place, this bill adds the Department to better clarify the role the Secretary plays in decisions impacting Fairgrounds.

REGISTERED SUPPORT / OPPOSITION:

Support

California Fairs Alliance
California State Grange
Western Fairs Association

Opposition

None on file.

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